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6 The Trans-Alaska Pipeline System (TAPS): Operations of the Pipeline (1977–1997)

6.1 BRIEF OVERVIEW

The Trans-Alaska Pipeline System began pumping oil June 20, 1977. The second postmortem was conducted in the context of the impact of the operation on public health, worker safety, and the environment.

The U.S. depends on TAPS to deliver nearly one out of every ten barrels of the oil this nation consumes daily. The pipeline transports approximately 1,500,000 barrels per day from Prudhoe Bay, on Alaska's North Slope, to the Valdez Marine Terminal (VMT), on Prince William Sound, 800 miles away.

TAPS is owned and operated by seven* major oil companies through their wholly owned subsidiary, the Alyeska Pipeline Service Co. (Alyeska). ARCO, British Petroleum (BP), and Exxon — three companies who control more than 90% of the crude oil produced from Alaska's North Slope bonanza — own a similar percentage of TAPS. In seeking permission to build what Alyeska called the largest privately financed construction project in the world, the developers promised that elaborate environmental safeguards would protect worker safety and minimize both the likelihood of, and damage to the environment from, oil spills.

Oil receipts from TAPS make up 80 to 85 percent of the state's revenue. This is an important factor in the context of the influence of the major oil companies in violating both state and federal laws pertaining to public health/safety and the environment. This blatant lack of accountability has been ongoing since 1977.

Alyeska did not learn any lessons from the extensive waste, fraud, and mismanagement that occurred during the design and construction of the pipeline system. Now responsible for the operation of the system, it began

* There were eight oil companies at the outset.

to violate the quality control procedures established to protect the integrity of the pipeline and the port. There were numerous violations of both state and federal laws that protect public health, safety, and the environment. Alyeska employees spoke quietly about these violations but did not blow the whistle for fear of losing their jobs.

This postmortem shows the influence of big money in the oil industry trying to silence whistleblowers from exposing numerous violations of state and federal laws pertaining to public health and safety and the environment. Of particular concern was the polluting of Prince William Sound with highly toxic hydrocarbons in the 1980s. It clearly demonstrates on-going problems of mismanagement and indifference on the part of the oil companies.

6.2 MONITORING TAPS

In IPQMS phase 1 ([Chapter 5](#)), the TAPS owners promised to protect the 800-mile corridor and the port area in order to receive approval for the project.¹ Indeed, Congress authorized prompt construction of the pipeline and directed the Secretary of the Interior and other appropriate federal agencies to administer various authorizations; the secretary also was given power to provide greater environmental protection by modifying the route during construction. Congress also stipulated that:

- Holders of the right-of-way would be liable, on a no-fault basis, for damages along or near the right-of-way except for damages caused by an act of war or by U.S. government negligence or by the damaged party. No-fault liability would be limited to U.S. \$50 million for any one incident and would be in proportion to ownership interest; liability for damages beyond this amount could be pursued under the ordinary rules of negligence.
- Polluting activities by or on behalf of the holder of the right-of-way would have to be controlled and stopped at the holder's expense.
- The owner and operator of each vessel used to transport oil from the pipeline would be liable without regard to fault for all damages resulting from discharges of oil from each vessel.

During the construction of TAPS between 1974 and 1977, separate state and federal regimes approved plans for specific aspects of pipeline construction and then monitored that effort to ensure that the plans were executed as promised. During construction, the primary federal monitoring agency, the

Alaska Pipeline Office (APO) functioned as an independent unit in the Department of the Interior, monitoring pipeline plans and construction on federal land. Its state counterpart, the State Pipeline Coordinator's Office (SPCO), was nominally housed within the Alaska Department of Natural Resources (ADNR). The federal Environmental Protection Agency (EPA) and its state counterpart, the Alaska Department of Environmental Conservation (ADEC) had authority to ensure that construction complied with existing environmental laws. Fish and wildlife stipulations were monitored by a combined entity, the Joint Fish and Wildlife Advisory Team (JFWAT). Until mid-1975, when problems validating X-rays required for more than 50,000 field welds that tied the 800 mile pipeline together drew the federal Department of Transportation's Office of Pipeline Safety (OPS) into the picture, that agency played a negligible role in TAPS oversight; thereafter, the OPS role was narrowly defined and minimal.²

At best, quality control and oversight were lax until the *Exxon Valdez* incident in March 1989. In an attempt to improve the oversight,* the Joint Pipeline Office (JPO) was established in 1990. JPO is a collaborative effort of 11 state and federal agencies. Participating agencies with personnel at JPO included the following five state departments and/or agencies:

- Natural Resources
- Environmental Conservation
- Fish & Game
- Labor
- Division of Governmental Coordination

In addition, there are three federal agencies:

- Federal Bureau of Land Management
- Department of Transportation (Office of Pipeline Safety)
- Environmental Protection Agency

Participating agencies with no personnel located at JPO included:

- Alaska Department of Transportation and Public Facilities
- U.S. Coast Guard
- U.S. Army Corps of Engineers

* The owners and Alyeska continued to be responsible for quality control.

In spite of the foregoing, violations of worker safety, public health, and the environment continued. Recently, disclosure was made of illegal hazardous waste disposal on Alaska's North Slope.³

6.3 THE WHISTLEBLOWERS

Who are the whistleblowers? They are mainly concerned professional people willing to put their careers and personal lives on the line to alert the public, the President, and the Congress about dangerous or illegal situations. They are the engineers who tried to warn of the deadly design flaw in the space shuttle Challenger. They are the engineers and scientists who continue to warn about the nuclear contamination of the environment from the Hanford Nuclear Reservation in the State of Washington. They are the scientists who exposed the fraudulent research on the multi-billion dollar Star Wars in the early 1990s. They are now referred to as ethical resisters who have blown the whistle against their powerful employers.⁴ Regarding TAPS, they are the inspectors responsible for quality control of the operations of the pipeline and the marine terminal.

The inspectors had been reporting serious problems regarding worker safety and health, in addition to pollution of the environment. However, they were ignored by Alyeska and the oil companies. When they persisted, they were subjected to intimidation and harassment, and threatened with loss of jobs. The professional engineers responsible for quality control were following the National Society of Professional Engineers' Code of Ethics, Section II, Rules of Practice, which states:

Engineers shall hold paramount the safety, health, and welfare of the public....If engineers' judgment is overruled under circumstances that endanger life or property, they shall notify their employer or client and such other authority as may be appropriate.

When there is a collapse of ethics, there is an attendant collapse in accountability. In the case of the violations of state and federal laws by Alyeska, it took a non-engineer to publicly question lack of accountability.

In 1985, an independent oil industry broker finally blew the whistle on Alyeska. Chuck Hamel exposed the fact that Alyeska's tanker ballast wastewater treatment facility was polluting Prince William Sound with highly toxic hydrocarbons. This encouraged Alyeska employees to contact him with numerous other violations. However, the power and arrogance of the oil companies stalled government action for over five years.⁵

In 1990, Alyeska hired a security firm named Wackenhut to uncover Hamel's sources and recover documents he had obtained that verified environmental violations in Alaska and elsewhere. Wackenhut set up a phony "environmental legal services company" staffed by its own agents, who posed as environmentalists. The agents contacted Hamel, expressing interest in his work, and offering legal and financial support for his investigations. Meanwhile, the same agents were secretly intercepting his phone calls, videotaping his conversations, obtaining copies of his phone records and credit history, and stealing his trash and mail — all in an attempt to discover Hamel's sources.

The operation came to an abrupt end when Wackenhut agent Gus Castillo blew the whistle on the company's activities. Subsequent congressional hearings sponsored by Representative George Miller (D-CA), chairman of the House Natural Resources Committee, blew the sting operation wide open. Wackenhut agents "took the Fifth", refusing to testify on the grounds that their testimony could be self-incriminating. The committee's report issued in July 1992 found numerous violations of state and federal laws.

Hamel went to the Government Accountability Project (GAP)* in 1991 for legal assistance. With GAP assistance, Hamel filed a lawsuit against seven major oil companies, Alyeska, and the Wackenhut Corporation. The legal struggle leading up to the settlement in 1993 was heated. Hamel's lawyers were outnumbered ten to one and grossly out-spent as the defendants sank an estimated \$15 million into the case. Yet after three weeks of hearings and arguments, the oil industry failed to convince Federal Judge Stanley Sporkin of the legality of its spy operation against Hamel.

In another noteworthy ruling, Judge Sporkin refused to order Hamel to turn over to Alyeska the names of his whistleblower contacts. The judge ruled that it would be wrong to allow the defendants to obtain whistleblower identities through the court. In delivering his far-reaching legal decision to protect whistleblowers, Judge Sporkin cited the book *The Whistleblowers* by Myron and Penina Glazer⁴ and a 1987 federal court decision that GAP won against the federal government. In that case, the Justice Department under Ronald Reagan unsuccessfully sued GAP for the identities of whistleblowers who had confidentially provided GAP lawyer Billie Garde information about safety problems at the South Texas Nuclear Power Plant. Billie Garde was the lead attorney for Hamel.

* The mission of the Government Accountability Project is to protect the public interest and promote government and corporate accountability. Founded in 1977, GAP is a non-profit organization based in Washington, D.C. It provides legal and advocacy assistance to concerned citizens who choose to "blow the whistle" on threats to public health and safety and the environment by both government and industry.

After extensive debate, the judge allowed Alyeska to obtain the names of Hamel's whistleblowers — as long as the company agreed to post a job protection bond covering the lifetime salaries of any of its employees who were identified as whistleblowers. Hamel was immediately besieged by calls from eager Alyeska employees who wanted to be placed on his list of sources — and not surprisingly, the defendants suddenly lost interest in the names.

In the end, Hamel and his attorneys proved that the truth is more powerful than big oil. According to settlement papers, no one won and no one lost, and the public is not supposed to know the amount of the settlement. Associated Press reports, however, have indicated that Hamel received a sizable settlement. Hamel's lead counsel, former GAP staff counsel Billie Garde and GAP outside counsel Mona Lyons, won excellent reviews for their courtroom performance from many observers, including the Judge.

In 1993, the Alyeska Pipeline Service Co. agreed to rehire a group of Trans-Alaska Pipeline safety inspectors who suffered systematic harassment and intimidation after reporting serious environmental and safety concerns on the pipeline. Two years later, the same inspectors — along with others who have since joined their ranks — were on their way back to court alleging more violations and reprisals.⁶

It is obvious that the power and influence of the oil companies is the controlling factor! However, the Government Accountability Project (GAP) continues to work with the oil industry whistleblowers to monitor and curb the abuses of the large oil corporations operating in Alaska. More recently, the Alaska Forum for Environmental Responsibility (formed in 1994) became involved. The Alaska Forum works with GAP, Public Employees for Environmental Responsibility (PEER), and numerous Alaskan organizations to protect Alaska's environment. The Alaska Forum has become a solid partner in GAP's efforts to assist pipeline employees who are trying to resolve employee quality and safety concerns, and end retaliation against whistleblowing employees.

In November 1993, employees of pipeline owners ARCO, British Petroleum, and Exxon testified before Congress about the deteriorating condition of the pipeline system and the pervasive atmosphere of intimidation facing those employees who raise safety and quality concerns. The November testimonies followed a July 1993 hearing, in which five inspectors detailed their wrongful termination, the total breakdown of the quality control program at Alyeska, and their concerns that Alyeska's attitude toward safety and quality problems could lead to a disaster.

A number of audits and reports have confirmed the whistleblowers' complaints. In 1993, the Bureau of Land Management hired the Quality Technology Company (QTC) to perform an audit of the pipeline's condition.

The QTC report confirmed the questionable state of the pipeline, and the existence of serious problems of harassment and intimidation. Another report authored by the Arthur D. Little Company found numerous deficiencies requiring repair, modification, and redesign in order to assure the pipeline's continued integrity. And a third study, by the Stone and Webster Company in early 1994, has identified numerous problems throughout the pipeline.⁵ The company's auditors attempted to investigate the pipeline on the basis of the allegedly current design drawings and concluded that there was 100 percent noncompliance with configuration control of the pipeline. In other words, not a single drawing reviewed by the auditors, as maintained by Alyeska, represented the actual built and modified condition of the pipeline. In one startling example, the drawings incorrectly located the pipeline a mile off of its actual location.

The problems go beyond programmatic deficiencies. One regulator, the Joint Pipeline Office, identified almost 5000 problems. The company noted that some 100 of the items refer to structures, systems, and components that prevent significant harm to the health and safety of the public, significant harm to the environment, or significant loss of pipeline integrity.

For the employees who attempt to raise safety concerns, meanwhile, working on the pipeline has become a never-ending ordeal. In 1993, the Department of Labor ruled in favor of whistleblower Richard Green, and soon after Alyeska settled with other whistleblowers. When Alyeska proved clearly unwilling to rehire the whistleblowers — despite their eligibility and the Department of Labor ruling — the whistleblowers were forced to file another Department of Labor complaint. DOL ruled in their favor and ordered Alyeska to rehire them and pay them backpay. Alyeska appealed and requested an administrative hearing, which was scheduled for August 1995. The whistleblowers were represented by GAP attorneys Alene Anderson and Tom Carpenter, and cooperating attorneys Billie Garde of Hardy & John in Houston, and Thad Guyer of Medford, Oregon.

The manipulation of the hiring process has extended to contract inspectors. In 1993, Alyeska began to use the services of Arctic Slope Inspection Services (ASIS). In 1995, an ASIS manager testified that ASIS was being removed from its status as a preferred "Alliance Contractor" because the company had employees blowing the whistle on the pipeline. According to case testimony, an Alyeska vice president announced at an Alliance meeting that the reason ASIS was losing its status was because of its "personnel problems".

Alyeska has sealed the fate of the whistleblowers' employability in Alaska — at a high cost not only to the professional careers of dedicated employees but to the safety of the public and the environment. No other

Alliance Contractor will offer employment to a whistleblower out of fear that it too will lose its unique status if it is unable to silence those employees prepared to expose safety problems on the pipeline.

6.4 THE *EXXON VALDEZ* OIL SPILL

Shortly after midnight on March 24, 1989, the 987-foot tank vessel *Exxon Valdez* struck Bligh Reef in Prince William Sound, Alaska. What followed was the largest oil spill in U.S. history — over 10 million gallons of crude oil. The oil slick had spread over 3000 square miles and onto over 350 miles of beaches in Prince William Sound, one of the most pristine and magnificent natural areas in the country.⁷

The very large spill size, the remote location, and the character of the oil all tested spill preparedness and response capabilities. Government and industry plans, individually and collectively, proved to be wholly insufficient to control an oil spill of the magnitude of the *Exxon Valdez* incident. Initial industry efforts to get equipment on scene were unreasonably slow, and once deployed the equipment could not cope with the spill. Moreover, the various contingency plans did not refer to each other or establish a workable response command hierarchy. This resulted in confusion and delayed the cleanup.⁸

Once the *Exxon Valdez* spill occurred, a number of circumstances combined to complicate the response action. That the spill took place in a remote location complicated an expeditious and effective response. The sheer size of the spill, which was larger than contingency planning had anticipated, posed particular problems. The magnitude of the spill was beyond the physical capability of skimmers and booms currently being used in the U.S. Moreover, the first equipment to control the spill arrived on the scene over ten hours after the incident, after more than 10 million gallons of oil already were in the water.

A number of contingency plans were in place. Alyeska had a contingency plan. National, regional, and local plans mandated by federal regulation all had been developed. These contingency plans served as the basis for response actions. In the absence of realistic worst-case scenarios and without adequate booms and barges on hand to contain the spill, however, these plans were not effective.⁹

Investigations pointed to a change in oil tanker design from double hull construction to single hull in the interest of saving money. This change had been approved by the U.S. Coast Guard.

The oil had moved out of Prince William Sound into the Gulf of Alaska within three weeks after the spill. Immediate spill effects were most visible on marine birds and sea otters. Twenty-three species of marine mammals

live in the sound and the Gulf of Alaska either year-round or during the summer. These mammals include gray, humpback, and killer whales, various porpoises and dolphins, harbor seals, sea lions, and sea otters. Of these animals, the sea otters are by far the most sensitive and vulnerable to spilled oil.

The bird population of Prince William Sound and the Kenai/Kodiak area is diverse and abundant. The Fish and Wildlife Service (FWS) counted more than 91,000 water birds (mostly diving ducks, grebes, and loons) in the sound immediately after the spill.⁷ About half of these birds were in or near areas affected by floating oil. In addition, large numbers of waterfowl and shorebirds stop to feed in the Prince William Sound area and potentially could be exposed to the spilled oil. Many of these birds may be affected either directly by oil or indirectly through the loss of food sources. April also represents the beginning of the breeding season for many seabirds.

6.5 THE ALASKA FORUM FOR ENVIRONMENTAL RESPONSIBILITY

The Alaska Forum for Environmental Responsibility is the culmination of many years of struggle for environmental accountability on the Trans-Alaska Pipeline System. Its mission is to hold industry and government accountable to the public mandate to protect the environment and public health and safety, provide a safe and retaliation-free workplace, and achieve a diverse and sustainable economic future for all Alaskans.

The Alaska Forum began as a special project of the Government Accountability Project (GAP) in September 1994. GAP defends whistleblowers and advocates for their concerns through public education, legislative reform, and legal channels. In addition to GAP, the Alaska Forum also works closely with Public Employees for Environmental Responsibility (PEER), a group that works with public employees across the nation to promote environmental ethics and reform in government agencies. Jeff DeBonis, founder and Executive Director of PEER, serves on the Alaska Forum's Board of Directors. The Alaska Forum also has several founding members whose identity must remain anonymous to prevent harassment, intimidation, and reprisal by their employers.

The oil industry dominates Alaska. Nearly 25% of U.S. domestic crude oil flows through the Trans-Alaska Pipeline, and 85% of the state's operating revenues are generated by oil royalties. British Petroleum (BP), Exxon, and Atlantic Richfield (ARCO) — the Pipeline's majority owners — have taken advantage of Alaska's dependence on oil and physical remoteness to set standards of environmental care that are lower than in the rest of the nation

and in many other developed countries. They have repeatedly violated promises they made in Congressional hearings and state and federal right-of-way leases to protect public health and the environment. Monitoring and compliance of pipeline operations have been thwarted by unreliable industrial self-monitoring and inadequate government oversight.

The Alaska Forum believes that conscientious government and industry employees are the first line of defense for protecting Alaska's environment. But without freedom from reprisals and the support of concerned citizens and citizen groups, the efforts of these workers are in vain. Therefore, the Alaska Forum works to unite citizens and citizen groups concerned about Alaska's environment and economic future with conscientious government and industry employees who speak out about activities that threaten to degrade Alaska's environment. By uniting these two allies, the Forum sends a message to industry, regulators, and elected officials that there is widespread public support for environmental accountability and responsible natural resource development in Alaska.

In September 1996, the Alaska Forum released *Pipeline in Peril: A Status Report on the Trans-Alaska Pipeline*, a detailed report on the host of problems that plague the pipeline.¹⁰ From the regular occurrence of potentially serious incidents to lax government oversight to persistent reprisals against whistleblowers, the report provided ample evidence that all is not well on the pipeline. As *Pipeline in Peril* reports, "Alaska's environment is increasingly at risk as TAPS ages."

Since October 1996, several events have confirmed the findings of *Pipeline in Peril*. Examples include the following:

- Shortly after the report was released the public learned that lower oil throughout resulted in violent pipeline shaking near Thompson Pass. In combination with long known but not yet fixed deformities in the line in the same area, the shaking threatened pipeline integrity and the nearby Lowe River. Alyeska was slow to recognize and respond to these serious threats.
- In February 1997, a master's thesis by an Alyeska engineer demonstrated that Alyeska's oil spill contingency plan still did not meet industry standards. Eight years after the *Exxon Valdez* oil spill, this study called into question the company's ability to contain and control a pipeline spill.¹¹
- Finally, in March 1977, an evaluation of Alyeska's employee concerns program revealed that the majority of pipeline workers still fear reprisals for speaking the truth about problems on the pipeline. Alyeska promised to end its "shoot the messenger" mentality over three years ago.

6.6 EVALUATION OF QUALITY CONTROL PROGRAMS

The evaluation of the first postmortem ([Chapter 5](#)) clearly demonstrated the lack of quality control for all phases. Thus, over \$1.5 billion was lost to waste, fraud, and mismanagement.¹² It is now clear that Alyeska and the owners did not learn any lessons from Part One.

Despite Alyeska's repeated promises, the outlay of hundreds of millions of dollars and the oil industry's lavish public relations campaigns, this section presents evidence that Alyeska's efforts to refurbish the pipeline — and its image — do not ensure safe and reliable transport of the crude oil that TAPS carries. The findings demonstrate that Alyeska's current efforts are not sufficient to protect the environment of TAPS and the health and safety of its workers from the increased risks associated with the problems faced by the aging pipeline.

Indeed, Miller's MBA thesis (Reference 11) included a thorough investigation of TAPS crude oil leaks and spills from 1977 through 1993. He has worked for Alyeska as an engineer for over 20 years, overseeing oil spill response on the pipeline. [Table 6.1](#) is a history of crude oil leaks from 1977 startup through 1993.

When a pipeline is not pumping oil it is not making money. Therefore, the incidence of shutdowns should serve as a warning that something is amiss, even though shutdowns should not be taken as an authoritative measure of the condition of a pipeline system. During the first 18 years since crude oil arrived at the Valdez Terminal on July 28, 1977, Alyeska listed 60 pipeline shutdowns.¹⁰ An evaluation of these shutdowns is summarized as follows:

- A major portion of the line's reported stoppages and downtime occurred during the first two years of operations.
- In the 14.5 years between the halt to repair the Atigun Pass break in mid-1979 and the end of 1993, TAPS averaged about two shutdown incidents per year, resulting in line-wide pump idling for approximately 22 hours annually.
- In 1994 and 1995, the shutdown rate exceeded 8 per year, with 33 hours per year of down time. Both shutdown events and lost-time figures for 1994 and 1995 exceeded by large margins the average established between mid-1979 and the end of 1993.

The first significant oil loss from the pipeline in more than a decade — an estimated 476-barrel (20,000 gallon) spill — resulted from a problem in one of 42 buried pipeline check valves near Black Rapid Glacier, in central

TABLE 6.1
History of TAPS Crude Leaks: Number and
Volume (1977 Pipeline Startup Through
1993)

Year	No.	Amount
1977	34	81,144, gal/1,932 bbls
1978	24	672,546 gal/16,013 bbls
1979	43	233,772 gal/5,566 bbls
1980	55	149,478 gal/3,559 bbls
1981	32	63,336 gal/1,508 bbls
1982	30	1,654 gal/39.4 bbls
1983	17	168 gal/4 bbls
1984	32	3,402 gal/81 bbls
1985	32	1,134 gal/27 bbls
1986	40	1,680 gal/1,982 bbls
1987	37	168 gal/4 bbls
1988	36	672 gal/16 bbls
1989	26	Ttl. amt. Unknown/tracking sys error
1990	28	245 gal/5.8 bbls
1991	55	460 gal/10.95 bbls
1992	54	805 gal/19.17 bbls
1993	67	363 gal/8.64 bbls

Data courtesy of Alaska Forum.

Alaska, April 20, 1996.¹⁰ On February 6, 1996, TAPS monitors had written Alyeska a letter expressing concern over Alyeska's cancellation of a program to investigate problems with valves in the buried portion of the pipeline. Three weeks after the April 20 spill and three months after receiving the letter from the monitors, Alyeska was still trying to decide whether to accelerate a five-year schedule to investigate the extent of its — and Alaska's — problem with buried pipeline valves.¹⁰

The April 1996 spill was not an isolated incident. Rather, it was the most recent in a series of potentially serious and increasingly frequent operating problems that plague the aging oil delivery system. Throughout 1994 and 1995, TAPS experienced more than three potentially serious operating problems per month. Few of these problems caused oil spills and none caused contamination beyond the confines of the Alyeska right-of-way. However, these incidents caused Alyeska to shut down the 800-mile pipeline or a number of its huge pump station jet turbines on the average of once a month. While data are not available for earlier years,¹⁰ it appears that operating

problems on the 19-year-old pipeline are occurring with increasing frequency.

Despite the frequent occurrence of operating problems, Alyeska is initiating other actions that require sweeping changes to established operating procedures. These include the pipeline company's decision to shut down two pump stations during the summer of 1996 (followed, in all probability, by two more in 1997).^{13,14} The station closings will alter pipeline flow scenarios, requiring workers to establish and learn new operating practices. These operational changes will be taking place while large-scale, line-wide personnel cuts continue.*

Introducing these major changes to a system that has experienced demonstrable difficulties fixing its existing problems can only add to the rocky history of the TAPS regulatory system. The Joint Pipeline Office (JPO), a collaborative effort of 11 state and federal oversight agencies, must become more accountable and responsible in ensuring safe pipeline operations, a safe workplace, and environmental protection.

6.7 LESSONS LEARNED

The single outstanding lesson learned from this postmortem is the need for scientific and engineering recommendations and decisions to be upheld by management, especially when quality control procedures to protect worker safety, public health, and the environment are involved. This is still not being done today, despite the first public disclosure of violations of both federal and state laws that mandate protection as far back as 1985. There is simply no accountability, which relates to the collapse of ethics.

It is clear that the influence of big business (oil industry) is instrumental in minimizing the necessary oversight and control by government regulatory agencies. There is need to introduce ethics and teamwork into all sectors of the economy and society. This is especially true in government and big business.

6.8 EPILOGUE

The *Exxon Valdez* oil spill of 1989 was an environmental disaster. Exxon was forced to pay \$900 million by an Alaska state jury for partial restoration of the environment. Meanwhile, the oil company is appealing another \$5.3

* Alyeska reduced its staff from 1352 people in October 1994 to 1053 by the end of 1995, with a target of 839 employees in 1999. (David Pritchard, 1995 Operating Plan [memorandum to Alyeska Employees, Oct. 17, 1994], 1; and Alyeska Pipeline Service Co., 1997 Business Plan and Long Range Plan, July 1, 1996, 62.)

billion awarded for the damage the oil spill did to fishermen and homeowners in the vicinity.

In 1991-1992, the Exxon Valdez Oil Spill Trustee Council was established to facilitate the restoration of the fish, seabirds, and marine mammals lost. The Trustee Council is a direct result of the State/Federal Natural Resources Assessment Plan for the Exxon Valdez Oil Spill that was created in August 1989. It seeks to establish a Restoration Reserve or savings account of \$140 million by the year 2002. This will enable the Council to continue a long-term restoration program after Exxon's last payment from the \$900 million settlement in 2001 (10-year payments).

The Trustee Council is conducting surveys and other monitoring of fish and wildlife in the spill region to determine population trends among the various species that were impacted. As of 1996, only the bald eagle population had rebounded to pre-spill numbers. The Council also determined that the extent of the oil spill was far more severe than previously estimated. Portions of 1500 miles of coastline were oiled, with areas still covered in 1997. Among the most affected marine life are the harbor seals and sea otters.

Another issue to be resolved is the on-going need for an oil spill plan that satisfies state and federal laws. These laws call for plan review and renewal every three years. Alyeska's last oil spill plan expired September 1, 1997. Since then, government regulators have extended Alyeska's now outdated plan four times. The Alaska Forum is striving for a strong plan that will correct the many weaknesses based on past experiences. A citizens advisory committee has been proposed by the Alaska Forum.

It is clear that the oil companies and Alyeska have not learned any lessons from past mistakes. This causes much concern as the oil pipeline reached 20 years of operation (June 20, 1977 to June 20, 1997). A new megaproject is beginning to emerge: the Trans-Alaska Gas System (TAGS).

For the past 14 years, Yukon Pacific Corporation has been quietly building momentum behind its North Slope gas export megaproject, the Trans-Alaska Gas System (TAGS). Yukon Pacific has secured virtually all of its major permits and has developed good relations with potential Asian customers.¹⁵

TAGS would deliver 6 trillion cubic feet or more of natural gas from the North Slope's Point Thompson gas field to Valdez. The project includes a new pipeline from Prudhoe Bay to a new marine terminal in Valdez, where specially designed tankers would load super-cooled liquid natural gas for delivery to customers, primarily the largest electrical utilities in Japan, Taiwan, and South Korea.

As pressure builds to make TAGS a reality, environmentalists have had a hard time getting anyone to focus on the inevitable impacts. This megaproject promises to alter Alaska's social, political, and environmental land-

scape much the way the Trans-Alaska (oil) pipeline did more than 20 years ago. All the effects of a population boom — housing shortages, increased pollution, higher demand for government services, and rising pressure on fish, wildlife, air and water quality — should be expected.

Meanwhile, as the Alaska Forum reports in *Pipeline In Peril*, TAPS continues to pose risks to the environment because of ongoing quality control problems. The need to make the oil companies who own TAPS accountable to both Alaskans and our country is a vital issue that must be resolved now. The pumping of oil, and possibly natural gas, from the North Slope could continue for another 40 to 50 years.

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